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CLERK US DISTRICT COURT
DISTRICT OF ARIZONA

UNITED STATES DISTRICT COURT
DISTRICT OF ARIZONA

United States of America,
Plaintiff,
v.

1. Dino Sisneros;
(Counts 1-13, 15, 16)
2. Melissa Sisneros
(Counts 1-13, 15, 16)
3. Michael Quiroz
(Counts 1, 6-11, 14, 15)
4. Chad Ayers;
(Counts 1-3, 6, 7, 15)
5. Catherine Tarin;
(Counts 1, 14)
6. Theresa Coyne;
(Counts 1, 8, 9, 11)
7. Timothy Coyne;
(Counts 1, 6, 7, 11)

Defendants.

CR11 - 794 TUC *ReckCRP*

INDICTMENT VICTIM CASE

18 U.S.C. § 1349
(Conspiracy to Commit Wire Fraud)
Count 1

18 U.S.C. § 1343
(Wire Fraud)
Counts 2-14

18 U.S.C. § 1956(h)
(Conspiracy to Commit Money
Laundering)
Count 15

18 U.S.C. § 1028A
(Aggravated Identity Theft)

18 U.S.C. § 2
(Aid and Abet)
Counts 2-14

18 U.S.C. § 982(a)(1) and (a)(2)
18 U.S.C. § 981(a)(1)(c)
21 U.S.C. § 853(p)
28 U.S.C. § 2461
(Forfeiture Allegations)

1 THE GRAND JURY CHARGES:

2 INTRODUCTION

3 At the specified times and at all relevant times:

4 Cash Back Scheme

5 1. Mortgage fraud is the fraudulent obtaining of mortgages on residential or commercial
6 properties where the parties to the fraud intend to deprive someone, usually the lender, of money
7 and property. A "cash back" scheme is one variation of mortgage fraud. In a "cash back"
8 scheme, the perpetrator of the scheme offers to purchase a property for more than the seller's
9 asking price and submits a contract to the seller for the inflated price. The seller agrees to the
10 sale because they are generally receiving the full asking price. The perpetrators thereafter obtain
11 the excess cash back over the seller's true asking price. The perpetrators may also continue to
12 engage in mortgage fraud by refinancing the property to obtain "cash back" from a lender after
13 a fraudulent loan is obtained to purchase the property.

14 2. Often a "straw buyer" is used to facilitate the "cash back" scheme. Generally, a straw
15 buyer is someone recruited by the perpetrator to take out a mortgage and purchase a house in
16 their name. The straw buyer normally does not live in the house or have the intent to reside at
17 the house. The straw buyer is usually told that he or she will not be responsible for the
18 mortgage payments. In return for their services, the straw buyer is sometimes paid a fee or
19 promised a portion of the proceeds from a future sale-flip of the property.

20 3. A Uniform Loan Application, also known as Form 1003, is prepared for the straw buyer.
21 A lender uses this form to record relevant financial information about an applicant who applies
22 for a mortgage. The perpetrator facilitating the cash back scheme makes some or all of the
23 following material representations on the 1003: falsely represents the buyer's assets-income;
24 conceals mortgages and other debts; and misrepresents the intent of the straw buyer to occupy
25 the property as a primary residence. These misrepresentations are made to qualify the straw
26 buyer for a mortgage. In signing the loan application, the straw buyer acknowledges that "the
27 information provided in the application is true and correct" and that "any intentional or negligent
28 misrepresentation(s) contained in this application may result in civil liability and/or criminal

1 penalties..."

2 4. A title or escrow company is used in which the subject property is deposited for
3 safekeeping under the trust of a neutral third party (escrow agent) pending satisfaction of a
4 contractual contingency or condition. Once the conditions are met, the escrow agent will deliver
5 the property to the party prescribed by the contract.

6 5. After receiving the loan documents and facilitating the buyer and seller signing, escrow
7 agents prepare a "Final" HUD-1 wherein details of the actual receipt of lender funds and fund
8 disbursements are listed for the records of the lender, seller, and purchaser. The escrow agent
9 is required to disburse funds according to what has been indicated in the HUD-1 settlement
10 statement.

11 6. The cash back scheme puts the loan at greater risk as the loan originates with negative
12 equity in the property. For that reason, lenders generally will not allow a buyer to receive a
13 significant amount of cash at closing of the origination of a loan.

14 Defendants

15 7. DINO SISNEROS, a resident of Tucson, Arizona, was the leader-organizer of this cash
16 back mortgage fraud scheme. DINO SISNEROS recruited straw buyers to purchase real estate
17 at inflated prices. He also financed some of his own loans based on fraudulent representations
18 to obtain additional cash back from the lenders.

19 8. MELISSA SISNEROS, DINO SISNEROS' wife and also a resident of Tucson, Arizona
20 was an active participant in the cash back mortgage fraud scheme.

21 9. MICHAEL QUIROZ, hereinafter referred to as "QUIROZ," a resident of Tucson,
22 Arizona, was the loan officer used by the co-conspirators in many of the fraudulent real estate
23 transactions and an active participant in the mortgage fraud scheme. He also recruited straw
24 buyers to carry out this scheme including defendants TIMOTHY and THERESA COYNE.

25 10. CHAD AYERS, hereinafter referred to as "AYERS," a resident of Tucson, Arizona and
26 a licensed real estate agent, was also an active participant in the cash back mortgage fraud
27 scheme relating to some of the transactions specified in this indictment. During at least a portion
28 of the time period in this conspiracy, AYERS worked for Tierra Antigua Realty in Tucson,

1 Arizona. AYERS was also the president of the corporation "A2Z Inc." He also recruited straw
2 buyers to carry out this scheme.

3 11. CATHERINE TARIN, hereinafter referred to as "TARIN," a resident of Tucson,
4 Arizona, was a loan processor who worked for QUIROZ. She recruited a straw buyer for one
5 of the fraudulent real estate transactions that is the subject of this indictment.

6 12. THERESA COYNE, a resident of Tucson, Arizona, was a straw buyer used by the
7 coconspirators.

8 13. TIMOTHY COYNE, a resident of Tucson, Arizona and THERESA COYNE'S husband,
9 was also a straw buyer used by the coconspirators.

10 **The Scheme and Artifice to Defraud**

11 14. It was part of the scheme and artifice to defraud that the defendants and others, devised a
12 "cash back" scheme to purchase or refinance real properties with mortgage loan applications or
13 other documents that contained one or more of the following material false statements: (1) false
14 statement of intent to occupy the property as a primary residence; (2) inflated income or assets;
15 (3) false representations concerning employment; (4) false representations concerning the source
16 of a down payment or cash to close a transaction; (5) phony lease agreements; or (6) phony
17 invoices used to fraudulently inflate income. These documents were provided in order to induce
18 the lender into funding the loans. DINO and MELISSA SISNEROS also owned a "business,"
19 "Straight Rate Painting & Remodeling." In reality, this company was a fictitious business used
20 by DINO and MELISSA SISNEROS as a front to fraudulently obtain mortgage financing.
21 Moreover, the co-conspirators artificially inflated the sales contract prices on some of the
22 transactions. In some transactions, the defendants concealed from the lending institutions by
23 intentionally withholding from the lender that payments were made to unrelated third parties to
24 the transactions or omitting on the HUD-1 that at the close of each sale a portion of the loan was
25 paid to an unrelated third party to the transaction. Additionally, in some transactions, the parties
26 failed to disclose to the lender that the straw buyer or purchaser of the property received cash
27 back from other members of this conspiracy for the use of straw buyer's credit to purchase the
28 property.

COUNT 1

Conspiracy to Commit Wire Fraud

[Title 18 U.S.C. § 1349]

15. Paragraphs 1-14 of this indictment are re-alleged and reincorporated as if fully set forth herein.

16. From a time unknown to the grand jury but at least as early as October, 2003 through August, 2007, in the District of Arizona, defendants DINO SISNEROS, MELISSA SISNEROS, MICHAEL QUIROZ, CHAD AYERS, CATHERINE TARIN, THERESA COYNE and TIMOTHY COYNE, and others known and unknown to the grand jury, conspired, confederated and agreed with each other to commit an offense against the United States of America, by engaging in an ongoing conspiracy to obtain real estate at inflated prices and to obtain mortgage loans to receive "cash back" from financial institutions based upon material false information, in violation of Title 18, U.S.C. 1343; Wire Fraud.

The Purpose of the Conspiracy

17. The purpose of the conspiracy was as follows:

- a. To arrange for the purchase of real estate at inflated prices through the use of "straw buyers;"
- b. To obtain mortgage loans by submitting fraudulent information to obtain cash back from the lender;
- c. To obtain loans on behalf of "straw buyers" by submitting documents containing false and fraudulent representations;
- d. To share in the "cash back" proceeds from the fraudulently obtained loans.

Means and Methods of the Conspiracy

18. It was part of the conspiracy that DINO SISNEROS, MELISSA SISNEROS, QUIROZ, AYERS, and TARIN recruited straw buyers to obtain financing by fraudulent representations for the purpose of obtaining cash back at closing from the lenders.

- a. DINO SISNEROS used straw buyers TIMOTHY and THERESA COYNE to purchase multiple real estate properties. DINO and MELISSA SISNEROS also obtained financing to

1 purchase their own properties and refinanced or obtained other financing using some of the
2 properties.

3 b. DINO SISNEROS recruited AYERS to purchase and/or refinance multiple properties.
4 Instead of buying the properties himself, AYERS recruited his mother and grandparents as straw
5 buyers to purchase properties.

6 c. The loan officer used on many of these transactions was QUIROZ. QUIROZ also
7 recruited straw buyers TIMOTHY and THERESA COYNE for this scheme.

8 d. TARIN worked for QUIROZ as a loan processor. On one of the real estate deals, she
9 recruited a straw buyer to purchase a property.

10 e. In order to obtain financing, the co-conspirators knowingly submitted and/or
11 knowingly caused to be submitted material false information to the lenders. The loan
12 applications and other documents contained at least one or more of the following material
13 misrepresentations: (1) false statement of intent to occupy the property as a primary residence;
14 (2) inflated income or assets; (3) false representations concerning employment; (4) false
15 representations concerning the source of a down payment; (5) phony lease agreements; or (6)
16 phony invoices used to fraudulently inflate income.

17 f. These false and fraudulent documents, including mortgage loan applications,
18 qualified the loan applicants for almost \$13.5 million in total loans relating to the (18) real estate
19 transactions set forth below.

20 g. The total "cash back" received by the members of the conspiracy relating to the
21 listed transactions in this indictment was \$2,907,452.

22 h. The defendants allowed many of the residences to go into default or foreclosure
23 due to failure to make payments on the mortgages.

24 19. The following chart summarizes the property transactions involved in this scheme on or
25 about the following dates and the approximate "cash back."
26
27
28

Trans action #	Date of Sale or loan(s)	Address	Buyer or loan applicant	Loan(s) Amount	"Cash Back" Amount
1	08/29/03	4425 N. Pontatoc	L.S.	\$360,050	\$130,166
2	10/10/03	6011 N. Panorama	R.I.	\$495,000	\$144,861
3	11/17/03	8718 N. Mahogany Road	R.I.	\$304,000	\$76,454 \$25,306
4	04/12/04	5745 W. Sunset Road	R.I.	\$527,250	\$111,667
5	04/13/04	1400 Calle Concordia	D.M.	\$280,250	\$ 79,567
6	05/31/05	1540 W. Daybreak Circle	Melissa Sisneros	\$530,000	\$54,932
7	06/24/05	2302 N. Camino Cascabel	Melissa Sisneros	\$1.26 million	\$239,991
8	10/21/05	5936 E. Paseo Cimarron	H.K.	\$590,900	\$42,512 \$50,000
9	03/17/06	6840 N. Vista Del Pueblo (Refinance)	T.C. and M.C.	\$1.43 million	\$50,000 \$110,443 \$100,500
10	04/26/06	6840 N. Vista Del Pueblo "Home Equity Loan"	T.C. and M.C.	\$400,000	\$389,593
11	07/11/06	2302 N. Camino Cascabel ("Refinance")	Dino and Melissa Sisneros	\$ 1.4 million	\$96,552
12	07/24/06	2302 N. Camino Cascabel ("Home Equity Loan")	Dino Sisneros	\$200,000	\$114,284
13	10/06/06	5221 W. Rhyolite Loop	Tim Coyne	\$1.61 million	\$84,750 \$301,066
14	12/26/06	13724 E. Cienega Creek Drive	Theresa Coyne	\$646,000	\$105,000
15	02/05/07	1540 W. Daybreak ("Refinance")	Dino and Melissa Sisneros	\$690,000	\$90,303
16	02/12/07	10300 E. Calle Descanso	Dino and Melissa Sisneros	\$486,000	\$179,937
17	06/15/07	2302 N. Camino Cascabel ("Refinance")	Dino and Melissa Sisneros	\$2.16 million	\$290,756
18	08/27/07	10460 N. Flintlock	A.F.	\$160,050	\$38,812

Overt Acts

20. In furtherance of the above-referenced conspiracy and to effect the objectives of the conspiracy, the defendants and other persons did perform and cause to be performed the following overt acts:

(1) 4425 N. Pontatoc Road Tucson, AZ

21. Straw buyer L.S. purchased the above property for \$379,000 on or about August 15, 2003. L.S. was recruited by DINO SISNEROS to buy the property. DINO SISNEROS told L.S. that he had a renter for the property and would make the mortgage payments for the property if L.S. was unable to lease the property. To obtain financing, DINO SISNEROS referred L.S. to QUIROZ. L.S.'s loan application or other documents submitted for the loan contained the following material false statements: (1) false statement of intent to occupy the property as a primary residence; (2) false statement concerning monthly income; and (3) false statement concerning the source of the cash down payment or deposit. The lender funded one loan for this transaction. The lender wired \$359,189.09 to the title company's bank account. After receiving these proceeds, the title agent issued a check to MELISSA SISNEROS for \$130,166.44. L.S. received approximately \$7,000 for the use of his credit to purchase the property.

(2) 6011 N. Panorama Drive; (3) 8718 N. Mahogany Road; (4) 5745 W. Sunset Road

22. Straw buyer R.I. was used to purchase the above properties. R.I. was recruited as a straw buyer by QUIROZ. QUIROZ informed R.I. that he would be paid \$10,000 for every house he purchased and additional money when the homes were resold. According to the deal, DINO SISNEROS would remodel the house and rent it out. After two years, the house would be resold to the renter. DINO SISNEROS would make the mortgage payments.

23. For the first house R.I. purchased, QUIROZ provided R.I. \$9,700 cash in a paper bag.

24. R.I. purchased 6011 N. Panorama in Tucson, Arizona on or about October 8, 2003 for \$550,000. For this purchase, R.I. obtained a \$495,000 mortgage. The loan officer was QUIROZ. On October, 9, 2003, MELISSA SISNEROS withdrew \$66,500 from her Wells Fargo bank account. She converted these funds into a cashier's check for the same amount. A \$66,500 cashier's check dated October 9, 2003 was provided to the title agent as the cash down payment

1 purporting to be from R.I. and/or his wife, the co-loan applicant for this transaction. These funds
2 were actually provided by MELISSA SISNEROS. R.I.'s loan application also contained the
3 following material false statements: (1) falsely inflated his and his spouses monthly income; (2)
4 falsely inflated his bank account balances; and (3) falsely inflated other assets. The lender wired
5 \$502,041.34 in interstate commerce to the title company. From these proceeds, the title agent
6 issued a check to MELISSA SISNEROS for \$144,861.78. The co-conspirators failed to disclose
7 to the lender on the HUD statement that MELISSA SISNEROS received these proceeds from
8 the closing of this transaction.

9 25. R.I. purchased 8718 N. Mahogany Road in Tucson, Arizona on or about November 17,
10 2003 for \$320,000. For this purchase, R.I. obtained a \$304,000 loan. R.I.'s loan application
11 falsely represented that he had the intent to reside at the property as a primary residence. The
12 HUD statement represented that the cash from the borrower to close this deal would be
13 \$22,430.58. A \$22,556 cashier's check dated November 14, 2003 was provided to the title agent
14 purporting to be from R.I. However, the funds for this check were actually provided by
15 MELISSA SISNEROS. The lender funded one loan for this deal. The lender wired \$298,687.99
16 to the title company's bank account. From these proceeds, the title agent issued a check to
17 MELISSA SISNEROS for \$76,454.95 and a check to DINO SISNEROS for \$25,306.36.

18 26. R.I. purchased 5745 W. Sunset Road Tucson, Arizona on or about April 9, 2004 for
19 \$555,000. R.I.'s loan application for this purchase contained the following material false
20 representations: (1) falsely inflated his and his co-loan applicant's monthly income; and (2)
21 falsely inflated his assets. On April 14, 2004, MELISSA SISNEROS withdrew \$43,000 from
22 her bank account. She converted these funds into a cashier's check for the same amount. This
23 check was provided to the closing agent purporting to be from R.I. for the down payment for this
24 property. The lender funded two loans for this transaction. The lender wired \$435,120 and
25 \$81,585 to the title company. From these proceeds, the title agent issued a check to MELISSA
26 SISNEROS for \$111,667.54.

27 **(5) 1400 Calle Concordia Tucson, AZ**

28 27. D.M. purchased the above property on or about April 13, 2004 for \$295,000. D.M. was

1 recruited by DINO SISNEROS and QUIROZ to purchase this home. QUIROZ referred D.M.
 2 to DINO SISNEROS. DINO SISNEROS told D.M. that if he agreed to buy the property, D.M.
 3 would receive \$5,000 at closing and another \$7,000 when the house was resold in two years.
 4 DINO SISNEROS also stated that he would pay the mortgage and the down payment. D.M.'s
 5 loan application for this purchase contained the following material false statements: (1) falsely
 6 represented that he had the intent to reside at the property as a primary residence and (2) falsely
 7 stated that he had a bank account with a balance of \$30,000. The HUD statement represented
 8 that the "cash from borrower" to close this deal would be \$24,021.68. A \$24,242.80 cashier's
 9 check dated April 13, 2004 was provided to the title agent. These funds were used as the cash
 10 to close this deal. These funds were actually provided by MELISSA SISNEROS. The lender
 11 funded a \$280,250 loan. The lender wired \$280,916.65 to the title company's bank account.
 12 After receiving these funds, the title agent issued a check to MELISSA SISNEROS for \$79,567.

13 **(6) 1540 W. Daybreak Circle Tucson, AZ (Refinance)**

14 28. MELISSA SISNEROS "refinanced" the above property on or about May 31, 2005. She
 15 obtained two loans for \$424,000 and \$106,000. The loan officer for this deal was QUIROZ.
 16 MELISSA SISNEROS's loan application falsely represented that she was the owner of "Straight
 17 Rate Painting." In reality, "Straight Rate Painting" was a fictitious business used by DINO and
 18 MELISSA SISNEROS as a front to fraudulently obtain mortgage financing. The lender wired
 19 \$431,389.90 and \$106,329.14 in interstate commerce to the title company's bank account. After
 20 receiving these funds, the title company issued a \$54,932.60 check to MELISSA SISNEROS.

21 **(7) 2302 N. Camino Cascabel, Tucson, AZ**

22 29. On or about June 24, 2005, MELISSA SISNEROS purchased the above property from
 23 T.C. and M.C. for \$1,800,000. T.C. and M.C. had been previously recruited by AYERS as straw
 24 buyers to purchase the property. The listed loan officer used by MELISSA SISNEROS to
 25 finance this property was QUIROZ. MELISSA SISNEROS's loan application and other
 26 documents submitted to the lender contained the following material false statements: (1) falsely
 27 represented that she was the owner of "Straight Rate Painting," a fictitious business used as a
 28 front to obtain financing, (2) falsely represented that the down payment or part of the down

1 payment was not borrowed and (3) a false representation stating that the seller had a "carry
2 back" loan. The lender funded one loan for this transaction. The lender wired \$1,257,164.25
3 in interstate commerce to the title company's bank account. After receiving these funds, the title
4 company issued a check for \$126,000 to Tierra Antigua Realty. For this transaction, AYERS
5 was the listed real estate agent for Tierra Antigua Realty. The HUD statement falsely represented
6 that the sellers, T.C. and M.C., received \$338,852.22 at close of escrow. This representation was
7 made to disguise the proceeds received by MELISSA SISNEROS. MELISSA SISNEROS, the
8 buyer, received a check for \$239,991.77 from this closing. The funds she received were not
9 disclosed on the HUD statement. After depositing her fraudulently obtained proceeds into her
10 account, MELISSA SISNEROS issued a check to QUIROZ dated June 28, 2005 for \$37,500.

11 **(8) 5936 E. Paseo Cimarron, Tucson, AZ**

12 30. H.K. was recruited by MELISSA SISNEROS to purchase the above property for
13 \$622,000 on or about October 12, 2005. H.K. purchased this property from MELISSA
14 SISNEROS, TIM COYNE and THERESA COYNE. The loan officer for this transaction was
15 QUIROZ. H.K.'s loan application contained the following material false statements: (1) falsely
16 represented that the loan applicant had the intent to reside at the property as a primary residence,
17 and (2) falsely inflated the loan applicant's assets. The HUD statement also falsely represented
18 that the \$34,157.27 cash to close this deal came from the borrower. The loan applicant, H.K.
19 did not know who provided these funds. On October 21, 2005 a cashier's check was withdrawn
20 from QUIROZ's bank account for \$34,244.77. The remitter section of this check states,
21 "Michael J. Quiroz for [H.K.]." This check was provided to the title agent on behalf of H.K. as
22 the cash to close this deal.

23 31. The lender funded one loan for this transaction. The lender wired \$577,055.12 in
24 interstate commerce to the title company's bank account. After receiving these funds, the title
25 agent issued a check to MELISSA SISNEROS for \$42,512. The title company also issued a
26 \$50,000 check to A2Z Inc. MELISSA SISNEROS wrote a check dated October 23, 2005 to
27 H.K. and H.K.'s spouse for \$5,000. The co-conspirators failed to disclose to the lender that the
28 straw buyer received these proceeds relating to this transaction. After receiving her fraudulently

1 obtained proceeds, MELISSA SISNEROS also drafted a check dated October 28, 2005 to
2 QUIROZ for \$15,000.

3 **(9) 6840 N. Vista Del Pueblo Tucson, AZ (Refinance)**

4 32. On or about March 17, 2006, T.C. and M.C. "refinanced" the above property by obtaining
5 a \$1,430,000 loan. T.C. and M.C. had been previously recruited by AYERS as straw buyers to
6 purchase the property. The loan application submitted to the lender contained the following
7 material false statement: false statement concerning the borrowers' intent to reside at the
8 property as a primary residence. The lender wired \$1,453,027.80 to the title company's bank
9 account. After receiving these proceeds, the title company disbursed \$50,000 to AYERS. The
10 title company also wired \$110,443.48 to MELISSA and DINO SISNEROS' bank account. The
11 title company also disbursed \$100,500 to the bank account of AYERS, T.C. and M.C. T.C. and
12 M.C. were unaware that they received these funds.

13 **(10) 6840 N. Vista Del Pueblo Tucson, AZ ("Home Equity Loan")**

14 33. On or about April 24, 2006, T.C. and M.C. obtained a home equity loan relating to the
15 above property. T.C. and M.C. had been previously recruited by AYERS as straw buyers to
16 purchase this property. The loan application or other documents provided to the lender
17 contained the following material false statements: (1) false statements concerning the loan
18 applicants' intent to reside at the property as a primary residence, (2) falsely inflated monthly
19 income and (3) falsely inflated the borrowers' bank account balances. One of the fraudulent
20 letters submitted to the lender stated, "We only moved out of our home at 6840 N. Vista Del
21 Pueblo until the remodel is complete. We plan to reoccupy the property as soon as the work is
22 completed." T.C. and M.C. never resided at or had the intent to reside at this residence. The
23 lender funded one loan for this transaction. The lender wired \$390,770 to the title company's
24 bank account. After receiving these funds, the title company wired \$389,593 to the bank account
25 of AYERS, M.C. and T.C.. After receiving these funds, AYERS issued a check for \$236,272.42
26 to MELISSA SISNEROS. These funds were credited to MELISSA SISNEROS' bank account
27 on April 25, 2006. On April 26, 2006, MELISSA SISNEROS issued a check to "A2Z inc." for
28 \$100,508.

(11) 2302 N. Camino Cascabel Tucson, AZ (Refinance)

34. On or about July 11, 2006 DINO and MELISSA SISNEROS obtained a \$1,470,000 "refinance" loan relating to the above property. Their loan application or other documents submitted to the lender contained the following material false statements: (1) false statement of intent to reside at the property as a primary residence, (2) falsely represented that they owned "Straight Rate Paint and Remodeling," a fictitious business used as a front to obtain financing; (3) fraudulent invoices showing that their "business" had previously completed work on other properties; and (4) a fake lease agreement showing alleged rental income. The lender funded one loan for this transaction. The lender wired \$1,446,090.41 in interstate commerce to the title company's bank account. After receiving these proceeds, the title company wired \$96,552.26 to MELISSA and DINO SISNEROS' bank account.

(12) 2302 N. Camino Cascabel Tucson, AZ ("Home Equity Loan")

35. On or about July 24, 2006, DINO SISNEROS obtained a \$200,000 "home equity loan" relating to the above property. His loan application contained the following material false statements: (1) false statement of intent to reside at the property as a primary residence (2) false representation concerning his alleged "business" and (3) falsely represented that he owned "Straight Rate Paint and Remodeling," a fictitious business used as a front to obtain financing. The lender funded one loan for this transaction. The lender wired \$196,630 in interstate commerce to the title company's bank account. After receiving these proceeds, on July 27, 2006, the title company wired \$114,284.20 to MELISSA and DINO SISNEROS' bank account. DINO SISNEROS issued a \$20,000 check dated July 28, 2006 to A2Z Inc. with a note, "repayment of loan bal. \$50,000."

(13) 5221 W. Rhyolite Loop, Tucson, AZ

36. On or about October 6, 2006, straw buyer TIM COYNE purchased the above property from G.C. for \$1,695,000. The lender funded two loans, a first mortgage for \$1,271,250 and a second for \$339,000. The listed loan officer for this deal was QUIROZ. TIM COYNE's loan application contained the following material false statements: (1) false statement of intent to

1 occupy the property as a primary residence and (2) falsely inflated his bank account balance.
2 Additionally, the HUD statement falsely represented that the cash to close this deal, \$115,432.61
3 was provided by the loan applicant. A letter, signed by TIM COYNE, provided a further
4 explanation concerning the source of these funds. This letter falsely represented that TIM
5 COYNE's sister had gifted him \$115,432.61 towards the purchase of the house. In reality, these
6 funds were provided by DINO SISNEROS and AYERS. Additionally, DINO SISNEROS wired
7 \$28,000 to TIM and THERESA COYNE'S bank account during the loan application process.
8 These funds were provided to fraudulently create the appearance that the money was in that
9 account for the bank's verification of deposit.

10 37. On October 6, 2006, the lender wired \$1,277,230.34 and \$343,057.16 in interstate
11 commerce to the title company's bank account. After receiving these proceeds, the title
12 company issued a check to DINO SISNEROS for \$301,066. This check was deposited into
13 DINO and MELISSA SISNEROS' account on or about October 6, 2006. The title company also
14 issued a check to Tierra Antigua Realty for \$84,750. AYERS was the "seller's" real estate agent
15 for Tierra Antigua Realty on this deal. On October 10, 2006, after receiving their fraudulently
16 obtained proceeds from this transaction, DINO SISNEROS issued a \$64,000 cashiers check to
17 THERESA COYNE. This check was deposited into THERESA and TIM COYNE's bank
18 account that same day. DINO SISNEROS also drafted a check for \$9,000 to QUIROZ. The
19 memo section of the check states, "repayment of loan." QUIROZ cashed this check on October
20 10, 2006.

21 **(14) 13724 E. Cienega Creek Drive, Tucson, AZ**

22 38. Straw buyer THERESA COYNE purchased the above property on or about December 26,
23 2006 for \$680,000. The lender funded a \$510,000 and \$136,000 first and second mortgages for
24 this purchase. The listed loan officer for this transaction was QUIROZ. THERESA COYNE's
25 loan applications falsely represented that she had \$164,000 in a bank account. The verification
26 of these funds provided to the lender demonstrated that THERESA COYNE actually had
27 \$61,220.25 in that account on November 3, 2006. A letter signed by THERESA COYNE and
28 provided to the lender stated she was writing to explain the difference regarding the balance in

1 her bank account. This letter falsely represented that THERESA COYNE had "lent her sister
2 money for a down payment to purchase her home." The letter further falsely represented that
3 THERESA COYNE's sister had "since repaid [her] and that explains [her] balance difference."

4 39. Additionally, the HUD statement for this transaction represented that the cash from the
5 borrower to close this deal would be \$33,539.63. A \$33,714.29 official check dated December
6 29, 2006 was provided to the title agent purporting to be from THERESA COYNE. These funds
7 were provided as the cash to close this deal. The same day, QUIROZ withdrew \$15,000 from
8 his bank account and THERESA COYNE deposited \$15,000 into her account. DINO
9 SISNEROS also issued a check dated December 29, 2006 to MICHAEL QUIROZ for \$15,000
10 with a note in the memo section of the check stating, "Repay."

11 40. The lender wired \$515,344.39 and \$139,978.34 in interstate commerce to the title
12 company's bank account. After receiving these proceeds, the title agent issued a check for
13 \$105,000 to DINO SISNEROS. This disbursement was disguised on the HUD statement. The
14 HUD statement fraudulently represented that these funds were used to pay one of the seller's
15 mortgages to DINO SISNEROS for the property. However, the seller did not have an additional
16 mortgage to DINO SISNEROS.

17 **(15) 1540 W. Daybreak Tucson, AZ (Refinance)**

18 41. On or about February 5, 2007, DINO and MELISSA SISNEROS refinanced the above
19 property. The lender funded a \$690,000 loan relating to this deal. DINO and MELISSA
20 SISNEROS' loan applications or other documentation for this loan contained the following
21 material false statements: (1) falsely represented that they were the owners of "Straight Rate
22 Painting," a fictitious business used as a front to fraudulently obtain financing; (2) falsely
23 represented that their business generated income by renovating higher end homes; (3) a false
24 representation in a HUD statement to show the receipt of past income by their "company;" and
25 (4) fake lease agreements to demonstrate future rental income. The lender wired \$690,600.05
26 to the title company's bank account. After receiving these proceeds, the title agent wired
27 \$90,303.34 to DINO and MELISSA SISNEROS' bank account.

(16) 10300 E. Calle Descanso, Tucson, AZ

42. On or about February 12, 2007, DINO and MELISSA SISNEROS purchased the above property from straw buyers TIM and THERESA COYNE for \$540,000. The lender funded a \$486,000 loan for this transaction. The listed loan officer for this deal was QUIROZ. The SISNEROS' loan applications or other documents to obtain this loan contained the following material false statements: (1) falsely represented that they were the owners of "Straight Rate Painting," a fictitious business used as a front to fraudulently obtain financing, and (2) a HUD-1 statement falsely representing that SISNEROS had received \$110,443.48 for "Repairs/Improvements." The lender wired \$489,585.23 in interstate commerce to the title company's bank account. On February 14, 2007, after receiving these proceeds, the title company wired \$179,937.38 to the bank account of THERESA and TIMOTHY COYNE. On February 15, 2007, \$144,432.14 was wired from the COYNES' bank account to DINO SISNEROS.

(17) 2302 N. Camino Cascabel, Tucson, AZ (Refinance)

43. On or about June 15, 2007, DINO and MELISSA SISNEROS refinanced the above property. The lender funded two loans totaling approximately \$2.16 million dollars. The SISNEROS' loan applications to obtain these loans contained the following material false statement: falsely represented that they were the owners of "Straight Rate Paint and Remodeling" a fictitious business used as a front to fraudulently obtain financing. The lender wired \$1,599,619.92 and \$600,834 in interstate commerce to the title company's bank account. On June 19, 2007, after receiving these funds, the title company wired \$290,756.83 to DINO SISNEROS' lawyer's trust account. After receiving these funds, DINO SISNEROS' attorney issued him a check dated June 20, 2007 for \$42,000. DINO SISNEROS' attorney also issued two checks dated June 27, 2007, one to DINO SISNEROS for \$3,500 and another to MELISSA SISNEROS for \$6,500.

(18) 10460 N. Flintlock, Marana, AZ

44. On or about August 28, 2007, straw buyer A.F. purchased the above property from S.W. for \$165,000. TARIN recruited A.F. to purchase this property. At the time, TARIN worked as

1 a loan processor for QUIROZ. TARIN told A.F. that she and QUIROZ would make the
 2 mortgage payments which would help A.F.'s credit. She also stated that they could use A.F.'s
 3 credit to buy the house, fix it and then sell it. TARIN also told A.F. that he could receive money
 4 when the property closed that would be used to help clean A.F.'s credit. A.F.'s loan applications
 5 or other documents for this loan contained the following material false statements: (1) false
 6 statement of intent to occupy the property as a primary residence and (2) a false letter stating that
 7 I.B. had gifted A.F. \$12,000 to purchase the property. The HUD-1 also falsely represented that
 8 the \$12,000 cash to close this deal would be a gift.

9 45. The lender funded one loan for this transaction. The lender wired \$161,908.37 in
 10 interstate commerce to the title company. After receiving these funds, the title company issued
 11 a check dated August 28, 2007 for \$58,812.13 to the seller, S.W.. S.W. thereafter drafted a
 12 check dated August 29, 2007 to QUIROZ for \$38,812. QUIROZ also drafted a check dated
 13 August 28, 2007 to "Properties Unlimited" with a note "Flintlock" for \$25,150.

14 All in violation of Title 18 U.S.C. §§ 1349 and 2 (aiding and abetting).

15 COUNTS 2 - 14

16 **Wire Fraud**

17 **[Title 18 U.S.C. § 1343]**

18 46. Paragraphs 1-14 and 16 - 45 of this indictment are re-alleged and reincorporated as if fully
 19 set forth herein.

20 47. From on or about March, 2006, up to and including August, 2007, within the District of
 21 Arizona and elsewhere, the defendants DINO SISNEROS, MELISSA SISNEROS, MICHAEL
 22 QUIROZ, CHAD AYERS, CATHERINE TARIN, THERESA COYNE and TIMOTHY
 23 COYNE, knowingly and willfully devised and intended to devise a scheme and artifice to
 24 defraud lenders as set forth in the introductory allegations to obtain money from lenders by
 25 means of material false and fraudulent pretenses, representations, and promises and by
 26 intentional concealment and omission of material facts.

27 **Execution of the Scheme by Wire Communications**

28 48. On or about the dates listed below, within the District of Arizona, and elsewhere, the

below named-defendants for the purpose of executing the aforesaid scheme and artifice to defraud, and attempting to do so, knowingly transmitted and caused to be transmitted by means of wire communication in interstate commerce signals and sounds, that is, banking wire transfers, from the identified financial accounts below, in the identified amounts to the identified recipient in the District of Arizona, the monies being mortgage financing funds for the real property listed below:

Count	Defendants	Date	Wire Transmission
2	DINO SISNEROS, MELISSA SISNEROS, AYERS	03/17/06	\$ 1,453,027.80 from Citibank, N.A. New York, NY to Wells Fargo Bank, San Francisco, CA for a "refinance" of 6840 N. Vista Del Pueblo, Tucson, AZ
3	DINO SISNEROS, MELISSA SISNEROS, AYERS	04/24/06	\$ 390,770 from Wells Fargo Bank, California to Wells Fargo Bank, Arizona for a "home equity loan" for 6840 N. Vista Del Pueblo Tucson, AZ
4	DINO and MELISSA SISNEROS	07/11/06	\$1,446,090.41 from Bank of America, New York, NY to Wells Fargo Bank, San Francisco, CA for "refinance" of 2302 N. Camino Cascabel Tucson, AZ
5	DINO and MELISSA SISNEROS	07/27/06	\$196,630 from Deutsche Bank Trust Company New York, NY to Wells Fargo Bank, San Francisco, CA for "Home Equity Loan" for 2302 N. Camino Cascabel, Tucson, AZ
6	DINO and MELISSA SISNEROS, QUIROZ, AYERS, TIM COYNE	10/06/06	\$ 1,277,230.34 from J.P. Morgan Chase Bank, New York, NY to Wells Fargo Bank, San Francisco, CA credit Ticor Title, Tucson, AZ for financing of 5221 W. Rhyolite Loop Road Tucson, AZ
7	DINO and MELISSA SISNEROS, QUIROZ, AYERS, TIM COYNE	10/06/06	\$ 343,057.16 from J.P. Morgan Chase Bank, New York, NY to Wells Fargo Bank, San Francisco, CA credit Ticor Title, Tucson, AZ for financing of 5221 W. Rhyolite Loop Road Tucson, AZ
8	DINO and MELISSA SISNEROS, QUIROZ, THERESA COYNE	12/29/06	\$515,344.39 from J.P. Morgan Chase Bank New York, NY to Centennial Bank, Centennial, CO for financing of 13724 E. Cienega Creek, Tucson, AZ

Count	Defendants	Date	Wire Transmission
9	DINO and MELISSA SISNEROS, QUIROZ, THERESA COYNE	12/29/06	\$ 135,978.34 from J.P. Morgan Chase Bank New York, NY to Centennial Bank, Centennial, CO for financing of 13724 E. Cienega Creek, Tucson, AZ
10	DINO and MELISSA SISNEROS, QUIROZ	02/05/07	\$694,600.05 from J.P. Morgan Chase Bank, New York, NY to Centennial Bank, Centennial, CO for "refinance" of 1540 W. Daybreak Circle Tucson, AZ
11	DINO and MELISSA SISNEROS, QUIROZ, THERESA and TIM COYNE	02/12/07	\$ 489,585.23 from Wachovia Bank, NA NC, Charlotte, NC to Centennial Bank, Centennial CO for financing of 10300 E. Calle Descanso, Tucson, AZ
12	DINO and MELISSA SISNEROS	06/15/07	\$1,599,619.92 from Washington Mutual Bank, Stockton, CA to Compass Bank, Tempe, AZ for "refinance" of 2302 N. Camino Cascabel, Tucson, AZ
13	DINO and MELISSA SISNEROS	06/15/07	\$600,834 from Washington Mutual Bank, Seattle, WA to Compass Bank, Tempe, AZ for "refinance" of 2302 N. Camino Cascabel, Tucson, AZ
14	QUIROZ TARIN	08/28/07	\$ 161,908.37 from Wells Fargo Bank, California to Wells Fargo Bank, Arizona for financing of 10460 N. Flintlock, Marana, AZ

All in violation of Title 18, United States Code, §§ 1343 and 2 (aiding and abetting);
Pinkerton v. United States, 328 U.S. 640 (1946).

COUNT 15

Conspiracy to Commit Money Laundering

[18 U.S.C. § 1956(h)]

49. The factual allegations in paragraphs 1-14 and 16 - 48 of the Indictment are incorporated
 by reference and re-alleged as though fully set forth herein.

50. From on or about October, 2003 through on or about August, 2007 within the District of
 Arizona and elsewhere, defendants DINO SISNEROS, MELISSA SISNEROS, QUIROZ,
 AYERS, and others known and unknown to the grand jury, did knowingly and willfully conspire

1 and agree together, with each other and others, to commit the following offenses against the
 2 United States:

3 **Objects of the Conspiracy**

4 a. Transactional money laundering in violation of Title 18, United States Code, §
 5 1957.

6 **Manner and Means of the Conspiracy**

7 51. The manner and means employed by defendants and others, to effect the objects of the
 8 conspiracy, were as follows:

9 a. After the funds were received from the fraudulently obtained mortgages set forth
 10 in Counts 1 through 14, the money and funds were deposited or wired into the bank accounts of
 11 the co-conspirators. The defendants knew that the money and funds received from the loan
 12 proceeds relating to these properties represented the proceeds of an unlawful activity;
 13 specifically violations of 18 U.S.C. Section 1343 (Wire Fraud). The co-conspirators conducted
 14 monetary transactions with these funds knowing that the money and funds received from the sale
 15 of residential properties represented the criminally derived property from unlawful activities.
 16 The funds from these criminally derived activities were used to engage in monetary transactions
 17 affecting interstate commerce in criminally derived property of a value of greater than
 18 \$10,000.00 in violation of 18 U.S.C. Section 1957.

19 b. All in violation of Title 18 U.S.C. §§ 1956(h) and 2 (aiding and abetting).

20 **COUNT 16**

21 **AGGRAVATED IDENTITY THEFT**

22 **[18 U.S.C. § 1028A]**

23 52. The factual allegations set forth in paragraphs 1-14, 41, and 46 - 48 (relating to count 10)
 24 of the Indictment are incorporated by reference and re-alleged as though fully set forth herein.

25 53. On or about January, 2007 at or near Tucson, Arizona, in the District of Arizona,
 26 defendants DINO SISNEROS and MELISSA SISNEROS, did knowingly use without lawful
 27 authority, a means of identification of another, to wit: the name A.V. in connection with
 28 fraudulent lease agreements submitted for financing of 1540 W. Daybreak Cir. "Refinance," as

described in paragraph 41 of this indictment during and in relation to the commission of felonies that is, Conspiracy to Commit Wire Fraud and Wire Fraud, all in violation of Title 18, United States Code, Section 1028A.

FORFEITURE ALLEGATION

54. As a result of committing the conspiracy offense alleged in Count One (1), defendants DINO SISNEROS, MELISSA SISNEROS, QUIROZ, and AYERS, shall forfeit to the United States pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461 any property, real or personal, which constitutes or is derived from proceeds traceable to a violation of 18 U.S.C. §§1343 and 1349.

55. As a result of committing one or more of the wire fraud offenses alleged in Counts Two (2) through Fourteen (14) of this Indictment, defendants DINO SISNEROS, MELISSA SISNEROS, QUIROZ, and AYERS, shall forfeit to the United States pursuant to 18 U.S.C. § 982(a)(2), any property constituting, or derived from, proceeds the defendants obtained directly or indirectly, as a result of such violations.

56. As a result of committing Conspiracy to Commit Money Laundering, alleged in Count Fifteen (15) of this Indictment, defendants shall forfeit to the United States pursuant to: 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461 any property DINO SISNEROS, MELISSA SISNEROS, QUIROZ, and AYERS, real or personal, which constitutes or is derived from proceeds traceable to a violation of 18 U.S.C. § 1343, including, but not limited to, \$2,907,452 in United States currency; and 2) 18 U.S.C. § 982(a)(1) any property, real or personal, involved in such offense, or any property traceable to such property.

57. Cash Proceeds: The government will seek a judgment for the sum of not less than \$2,907,452 in U.S. currency and all interest and proceeds traceable thereto, in that such sum in aggregate constitutes the proceeds derived from the criminal violations, for which the defendants who are convicted of one or more of said offenses shall be jointly and severally liable.

58. If any of the above-described forfeitable property, as a result of any act or omission of the defendants:

a. cannot be located upon the exercise of due diligence;

1 b. has been transferred or sold to, or deposited with, a third person;

2 c. has been placed beyond the jurisdiction of the Court;

3 d. has been substantially diminished in value;

4 e. has been commingled with other property which cannot be subdivided without

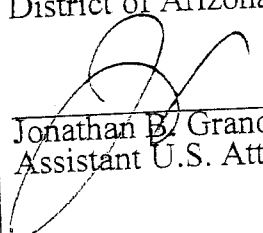
5 difficulty, it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), as incorporated
6 by 18 U.S.C. § 982(b)(1) and 28 U.S.C. § 2461(c), to seek forfeiture of any other property of
7 said defendants up to the value of the above forfeitable property, including but not limited to all
8 property, both real and personal, owned by the defendants.

9 All pursuant to Title 18, U. S. C., §§ 981(a)(1)(C), 982(a)(1) and (a)(2) and Title 28,
10 United States Code, § 2461, and Rule 32.2(a) of the Federal Rules of Criminal Procedure.

11 A TRUE BILL

12 
13
14 FOREPERSON OF THE GRAND JURY

15
16 DENNIS K. BURKE
17 United States Attorney
District of Arizona

18 
19 Jonathan B. Granoff
20 Assistant U.S. Attorney
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REDACTED FOR
PUBLIC DISCLOSURE